

104TH CONGRESS
1ST SESSION

H. R. 284

To amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly-traded stock to certain private foundations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. JACOBS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly-traded stock to certain private foundations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. GIFTS OF QUALIFIED APPRECIATED STOCK TO**
4 **PRIVATE FOUNDATIONS.**

5 (a) IN GENERAL.—Paragraph (5) of section 170(e)
6 of the Internal Revenue Code of 1986 is amended by strik-
7 ing subparagraph (D).

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to contributions made after De-
3 cember 31, 1994.

4 **SEC. 2. PRIVATE FOUNDATION GRANTS TO FOREIGN ORGA-**
5 **NIZATIONS TREATED AS PRIVATE FOUNDA-**
6 **TIONS.**

7 (a) IN GENERAL.—Paragraph (3) of section 4942(g)
8 of the Internal Revenue Code of 1986 is amended to read
9 as follows:

10 “(3) CERTAIN CONTRIBUTIONS TO SECTION
11 501(c)(3) ORGANIZATIONS.—For purposes of this sec-
12 tion, the term ‘qualifying distribution’ includes a
13 contribution to a section 501(c)(3) organization de-
14 scribed in paragraph (1)(A) (i) or (ii) if—

15 “(A) not later than the close of the first
16 taxable year after its taxable year in which such
17 contribution is received—

18 “(i) such organization makes a dis-
19 tribution equal to the amount of such con-
20 tribution and such distribution is a qualify-
21 ing distribution (within the meaning of
22 paragraph (1) or (2), without regard to
23 this paragraph) which is treated under
24 subsection (h) as a distribution out of cor-
25 pus (or would be so treated if such section

1 501(c)(3) organization were a private foun-
2 dation which is not an operating founda-
3 tion), or

4 “(ii) in the case of a grant to a for-
5 eign organization that is not controlled (di-
6 rectly or indirectly) by the foundation or 1
7 or more disqualified persons (as defined in
8 section 4946) with respect to the founda-
9 tion, such organization makes expenditures
10 equal to the amount of such contribution
11 to accomplish 1 or more purposes de-
12 scribed in section 170(c)(2)(B) and the
13 grantor foundation exercises expenditure
14 responsibility with respect to the grant (as
15 defined in section 4945(h)), and

16 “(B) the private foundation making the
17 contribution obtains adequate records or other
18 sufficient evidence from such organization
19 showing that the requirements of subparagraph
20 (A) are satisfied.”

21 (b) EFFECTIVE DATE.—The amendment made by
22 subsection (a) shall apply to taxable years beginning after
23 December 31, 1994.

1 **SEC. 3. CHANGING DUE DATE FOR FIRST QUARTER ESTI-**
2 **MATED TAX PAYMENTS BY PRIVATE FOUNDA-**
3 **TIONS.**

4 (a) IN GENERAL.—Paragraph (3) of section 6655(g)
5 of the Internal Revenue Code of 1986 is amended by in-
6 serting after subparagraph (C) the following new subpara-
7 graph:

8 “(D) In the case of any private foundation,
9 subsection (c)(2) shall be applied by substitut-
10 ing ‘May 15’ for ‘April 15’ ”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall apply to taxable years beginning after
13 December 31, 1995.

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